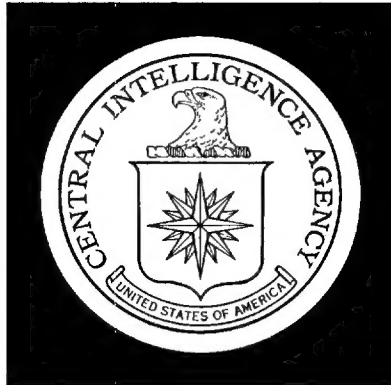


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DIRECTORATE OF  
INTELLIGENCE

## MEMORANDUM

### *Developments in Indochina*

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DEVELOPMENTS IN INDOCHINA

*(Information as of 1500)*

**SOUTH VIETNAM**

Political assassinations are on the increase in Saigon. The latest victim is an anti-Communist newspaper publisher.

**NORTH VIETNAM**

North Vietnamese MIGs have penetrated Laotian airspace at least six times in November to intercept allied aircraft.

**REGIONAL DEVELOPMENTS**

The Communists are expanding their rear services organization in the Laos panhandle. Finland is sending a fact-finding mission to Hanoi and Saigon, apparently with some changes in diplomatic relations in mind.

**LAOS**

Souvanna has responded with standard fare to the latest Communist peace demands.

**CAMBODIA**

Communist forces are moving against the Chenla Task Force on Route 6 and may have surrounded the staging base at Kompong Thmar.

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SOUTH VIETNAM

The murder of a newspaper publisher in Saigon yesterday marks the third assassination in four tries in the last six months. There will be considerable speculation about who is responsible because violence is commonplace in wartime Vietnamese society and there are many quarreling factions.

As is customary in such incidents, descriptions of the assassination are sketchy. Suspicion falls most obviously upon the Communists, however, who would seem to have the most to gain from the killing--silencing the publisher of two strongly anti-Communist Chinese language dailies and intimidating the Saigon press in general.

The increase in assassination attempts against well-known figures in Saigon seems to be taking on a pattern. During the controversial presidential election campaign and its aftermath there was an abortive attempt on the life of Tran Quoc Buu, the country's leading labor leader, but Nguyen Van Bong, head of the country's most respected and successful political party, was killed. During the summer, one of the most influential moderate student leaders in the capital was murdered. All of the assassination targets were anti-Communist, but none could be considered unquestioning supporters of the Thieu regime. Indeed, all had a measure of political independence and popular backing, and President Thieu was trying--with some success--to court them.

Viet Cong guilt never was proven in any of the incidents but circumstances and logic, however, strongly suggest that the acts were at least inspired by the Communists, with the aim of discouraging the evolution of a more popular and broadly based government in Saigon by striking at responsible leadership

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elements that might offer the Communists competition at some point in the future. The assassinations effectively serve notice that despite the turn down of the war, it is still dangerous to be an anti-Communist in South Vietnam or to appear to be cooperating with the government.

Assassination has, of course, long been one of the standard tools of the Vietnamese Communists. The Viet Cong have murdered tens of thousands of government cadre and other local leaders in the countryside and hundreds in the cities during the Tet Offensive of 1968. Attempts to kill influential non-Communist leaders in the major cities have been relatively rare in recent years. The new increase in such actions could mean that the Communists are reassessing their policy on assassinations and feel that, as the war shifts increasingly into a political struggle, more selective killings of urban political figures are necessary.

The Communists are putting more money into terrorism in Saigon this year, according to recently captured documents. One document points out that an additional \$23,000 was allotted to the security section in mid-May precisely for increased espionage operations. Cadres directly responsible for assassination operations also got additional funds, but were cautioned to keep expenses to a minimum. The Saigon "Security Section" is probably the largest component of the Viet Cong City Committee, with an estimated 300 operatives and sympathizers. That the section should get a lion's share of the Viet Cong budget for Saigon operations would seem commensurate with its role as a primary instrument of terrorism and political assassination in the capital.

Other documents suggest that Viet Cong terrorists in Saigon are having to rely almost exclusively on local taxation and black market activities to

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cover expenditures. Recently captured documents outlining the 1971 budget of the Viet Cong "security section" in Saigon reveal that the \$43,000 earmarked for operational expenses was to come from conversion of US dollars on the black market. The rest of the section's \$65,000 annual budget was to go for subsistence allowances and one third of this was slated to be collected by in-place recruits.

Heavy dependence on local support and locally garnered funds may well be one reason why the effectiveness of terrorism has been on the decline for some time. Over-all deaths from enemy terrorism are significantly down from last year, although some prominent personalities may have been victims.

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LAOS

Prime Minister Souvanna on 27 November sent a standard reiteration of the government's position to Lao Communist leader Souphanouvong. He dismissed Souphanouvong's hard-line message of 20 November as containing the "old allegations" of US activities in Laos without mentioning North Vietnamese involvement. He repeated his request that Communist envoy Souk Vongsak return to Vientiane, empowered to negotiate a bombing halt and a cease-fire. He again proposed that the Plaine des Jarres be neutralized, a suggestion that the Communists have already dismissed in private. Souvanna also took a dig at the Lao Communists' relations with the North Vietnamese, suggesting that the Pathet Lao did not control their own destiny and noting that the death of General Phomma--a Pathet Lao general allegedly killed by the North Vietnamese--was a case in point.

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Military Action

In south Laos, the four-battalion irregular task force operating near Ban Phone began a sweep westward to link up with another irregular task force holding the Thateng area, but was attacked late on the afternoon of 28 November and remained stalled about halfway to Thateng.

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Vientiane-Peking Relations

The improvement in relations between Vientiane and Peking appears to have slowed in recent weeks. In part this stems from the Lao view that they are getting a runaround on their offer to raise diplomatic relations to the ambassadorial level. Peking has been stalling on this issue for several months and there is no indication that any prompt response is on the way. The Lao are also somewhat miffed by Chou En-lai's use of the phrase "Lao rightist clique" when describing the Lao Government in a recent speech.



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Lao officials have also noted that their personal contacts with Chinese diplomats have become somewhat more difficult in recent weeks. One Lao was particularly annoyed when the Chinese chargé recently snapped, "You can ask all the questions you want, and I will send them to Peking, but I cannot give you any answers." Despite these problems, Souvanna believes that Laos must maintain good relations with China, and he is not likely to let the ire of his officials cause any serious problems in Sino-Lao relations.

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